June 3, 2009 Update for Lake Point Condominiums

Overall status: Good Market Status: Poor

533 listings (in the range of \$55,000-150,000) are listed in the East Madison market (supply side is increasing),

47 offers pending offers-28 sold East and 32 sold West, Under \$100,000 14 sold 7 east and 7 west

Lake Point Inventory- 1 duplex unit, 9 townhomes and 18 conversion units.

Traffic Overview

Residential Condominium buyer traffic has improved with the weather. West side traditional homes seem to be the prevalent competition for the townhome buyer. The brokers believe we may be priced too high in the current market.

Buyer comments express concern over the "Simpson" area, limited parking and some reservation about the bedroom size in the townhome units.

Buyers appear to be opting for the single family units on the West Side. Lake Point, with 2 and 3 bedroom units available that include only one parking space and no street parking is nonfunctional for a two person working household or others with driving age children. That does not consider the issue of visitor parking.

Contracts

One conversion unit closed on May 12,

One conversion unit contract that was referenced previously with roadblocks concerning the process of assistance funds was turned down for assistance.

One Conversion Unit is set for a June 12 closing.

Two additional Offers are being negotiated at this time, a conversion and one duplex unit.

Schedule item	Item Owner	Plan date	Actual or scheduled	Comments
Landscape	Receiver		5/17/09	Work should be complete by June 25th
Owner Punch Lists	Receiver		5/29/09	Work has started. Should be complete in 3 weeks or so (access permitted).
Laundry in Conversion units	Receiver		5/29/09	Installation of the in-unit laundry is complete. Two more units will be equipped this month.

Details

The punch list process is underway. Owners are arranging access for the various trades.

The landscape project on Broadway is 35% complete. All involved in Lake Point are excited to see its completion.

The laundry in the conversion units is attractive to prospective buyers, whether it derives a higher price remains a little suspect. That being said, merely increasing the velocity of sales will be a benefit to Lake Point.

The Lake Point Condominium Documents are being review and will be revised in the next couple of months to correct some details and address some operational issues.

Delinquent Association Dues from current owners have been reduced by liens on those unit owners who are not willing to make payments are in process.

Performance relative to the estimated budget is sound. Energy is being put toward cost efficiencies in operations.

Marketing

First Weber update-"We suggest that the prices on the 3 bedroom townhouse units be lowered to \$139,900. There are units on the west side of Madison that are similar in size with more parking and do not experience the stigma of the neighborhood that are priced the same, therefore Lake Point will not be able to compete.

Regarding the conversion units we also have found that some West side condos with 850 sq. ft. and more are selling for \$59,900 and the Garden View units are 665 Sq. Ft. with no parking for second cars or more than four guests spaces for 24 units and no parking on the street, and these units should be lowered to \$49,900.

The Buyer for the conversion units may still be a single person with one car. The Buyers for the townhouse units will probably not be a single person but at least a couple people with two cars, and parking a second car in the small short drive way in front of your garage door is not going to work. The pricing on the Townhouse units may have to appeal to a single person with one car or a couple with one car. This will lower the buying pool greatly."

I will follow up and research the current market sales and review the data to determine the potential pricing impact. Additionally, competitive research on the West side's opportunities and their relative pricing. The townhomes are currently priced around \$94 psf.

Currently, units are selling as low as \$46-\$51 per square foot on Morraine View Drive.

Events- None planned for June

Owners at Lake Point have joined forces for a volunteer neighborhood property enhancement. Providing labor to help the spring clean up and landscaping.

The Lake Point website has been up and links to both First Weber and the CDA's buyer assistance programs (http://lakepointcondos.com).

Neighborhood and parking concerns are the most prevalent objections. Several of the current resident owners have offered to explain the neighborhood condition to interested buyers in an attempt to diffuse that objection. Parking is a buyer concern we continue to work on.

As always, I'm happy to meet with the Board should they request additional information.

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Debt Matures 12/15/11, receiver has not reviewed the note at this juncture